

# COUNTY OF SACRAMENTO

DEPARTMENT OF FINANCE - AUDITOR-CONTROLLER DIVISION – INTERNAL AUDIT UNIT

**INTERNAL AUDIT REPORT**

**CHANGE OF CUSTODY  
AGREED-UPON PROCEDURES REPORT  
AS OF DECEMBER 15, 2022**

**DISTRICT ATTORNEY'S OFFICE**



**Audit Committee Submittal Date: 08/17/2023**

## **SUMMARY**

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### **Background**

The Department of Finance (DOF) performed a change of custody agreed-upon procedures for the new director of the District Attorney's Office (DA) starting on December 15, 2022.

### **Audit Objective**

To inspect DA's cash and capital assets as of December 15, 2022 and confirm the record to the Sacramento County Accounting System (a.k.a. COMPASS).

### **Summary**

We noted issues related to DA's cash disbursements, bus passes, and tracking of capital assets.

**Department of Finance**

Joyce Renison  
Interim Director



**County of Sacramento**

**Divisions**

Auditor-Controller  
Consolidated Utilities Billing &  
Services  
Investments  
Revenue Recovery  
Tax Collection & Licensing  
Treasury

June 12, 2023

Thien Ho, District Attorney  
District Attorney's Office  
County of Sacramento  
901 G Street, Sacramento, CA 95814

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Dear Mr. Ho:

We have performed the procedures enumerated below, which were agreed to by the Sacramento County District Attorney's Office (DA) regarding the change of custody on December 15, 2022. We performed our procedures at DA's various locations. DA's management is responsible for maintaining sufficient controls for its accounting operations and assets. The sufficiency of these procedures is solely the responsibility of DA's management. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. This report is applicable solely to the procedures referred to below and is not intended to pertain to any of DA's other operations, procedures or compliance with laws and regulations.

Our procedures and findings are summarized as follows:

1. We counted DA's imprest cash and cash receipts on hand and compared our count to the Sacramento County Financial System (COMPASS) and related records. See ATT 1 – *Schedule of Accountability*.

Result: DA's imprest cash agreed to the authorized amount without any exceptions; however, we noted an issue related to cash disbursements and some issues related to bus passes. See Finding #1 and Finding #2 at ATT 2 - *Current Findings and Recommendations*.

2. We reviewed the capital asset listing and chose 20 out of 547 capital assets for testing. See ATT 1 – *Schedule of Accountability*.

Result: We noted an issue related to the trade-in process for two capital assets. See Finding #3 at ATT 2 - *Current Findings and Recommendations*.

This agreed-upon procedures engagement was conducted in accordance with the Standards for Attestation Engagements contained in *Generally Accepted Government Auditing Standards*, issued by the Comptroller General of the United States. We were not engaged to, and did not perform an audit or examination, the objective of which would be the expression of an opinion or conclusion, respectively, on DA's fiscal processes or results of our procedures referred above. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

DA's response to the findings identified during our procedures is described in ATT 2 - *Current Findings and Recommendations*. We did not perform procedures to validate DA's response to the findings and, accordingly, we do not express an opinion on the response to the findings.

This report is intended solely for the information and use of the Sacramento County Board of Supervisors, Sacramento County Audit Committee, Sacramento County Executive, and DA's management. It is not intended to be, and should not be, used by anyone other than these specified parties. However, this restriction is not intended to limit distribution of this report, which is a matter of public record.

Sincerely,

JOYCE RENISON  
INTERIM DIRECTOR OF FINANCE



By: Hong Lun (Andy) Yu, CPA  
Chief of Audits

Attachments:

ATT 1 – *Schedule of Accountability*  
ATT 2 – *Current Findings and Recommendations*

**COUNTY OF SACRAMENTO  
DISTRICT ATTORNEY'S OFFICE (DA)  
CHANGE OF CUSTODY  
DECEMBER 15, 2022  
SCHEDULE OF ACCOUNTABILITY**

<b><u>IMPREST CASH</u></b>	Amount Authorized	Amount Counted	Variance
Victim Witness Fund	\$ 10,000.00	10,000.00	0.00
General Admin Fund	200.00	200.00	0.00
Underserved Fund	10,800.00	10,800.00	0.00
Victim Services Fund	1,000.00	1,000.00	0.00
CalWrap Bank Account	20,000.00	20,000.00	0.00
CalWrap Emergency Fund	5,000.00	5,000.00	0.00
<b>Total</b>	<b>\$ 47,000.00</b>	<b>47,000.00</b>	<b>0.00</b>

**CASH RECEIPTS**

Type of Receipt	Deposit Permit Number	Amount Posted by Treasury	Amount Counted	Variance
Credit Card	1300824574	\$ 100.55	100.55	0.00
Check	1300824437	52,850.00	52,850.00	0.00
Check	1300824325	28,064.00	28,064.00	0.00
Check	1300824380	186.50	186.50	0.00
Check	1300824427	2,500.00	2,500.00	0.00
Check	1300824994 <sup>(1)</sup>	69.65	69.65	0.00
<b>Total</b>		<b>\$ 83,770.70</b>	<b>83,770.70</b>	<b>0.00</b>

**BUS PASSES**

Type of Bus Pass	Amount Authorized	Amount Counted	Exception
Basic Single Fare	\$ Unknown <sup>(2)</sup>	25.00 <sup>(3)</sup>	Unknown <sup>(2)</sup>
Basic Daily Pass	700.00 <sup>(4)</sup>	595.00 <sup>(5)</sup>	105.00 <sup>(6)</sup>
<b>Total</b>	<b>\$ Unknown</b>	<b>620.00</b>	<b>Unknown</b>

**CAPITAL ASSETS**

<b><u>CAPITAL ASSETS</u></b>	Total Acquired Value Per COMPASS	Total Acquired Value Tested	Exception
	<b>\$ 10,177,094.21</b>	<b>2,640,130.79</b>	<b>193,017.03 <sup>(7)</sup></b>

See footnotes at Page 2.

- (1) Total deposit per COMPASS was \$97.25 and included the \$69.65 check Internal Audit Unit (IAU) counted, and an additional check for \$26.90 that DA received after our count.
- (2) DA was unable to provide supporting documents to determine the number of Basic Single Fare passes purchased, disbursed, and remaining on hand. See Finding #2 at ATT 2 - *Current Findings and Recommendations*.
- (3) Basic Single Fare passes were \$2.50 each and IAU counted 10 total.
- (4) DA purchased 100 Basic Daily Passes for \$7.00 each.
- (5) Basic Daily Passes were \$7.00 each and IAU verified 85 Basic Daily Passes were accounted for.
- (6) Exception noted between amount of Basic Daily Passes counted and DA's record. 15 Daily Bus Passes (100 - 85) with a value of \$105.00 ( $\$7.00 \times 15$ ) were unaccounted for. See Finding #2 at ATT 2 - *Current Findings and Recommendations*.
- (7) Exception noted regarding two assets being traded-in without submitting Equipment Movement Reports (EMR). See Finding #3 at ATT 2 - *Current Findings and Recommendations*.

**COUNTY OF SACRAMENTO  
DISTRICT ATTORNEY'S OFFICE (DA)  
CHANGE OF CUSTODY  
DECEMBER 15, 2022  
CURRENT FINDINGS AND RECOMMENDATIONS**

## **1. Cash Disbursement**

Condition:

During our imprest cash count, we noted \$100.00 was authorized to be disbursed from the Victim/Witness Assistance fund, but the disbursement was erroneously posted to the Unserved/Underserved fund log.

Criteria:

Every cash disbursement should be properly recorded in its respective log and disbursed from the authorized fund.

Effect:

Disbursing cash from incorrect funds can lead to misstatements and may be misuse of funds.

Recommendation:

We recommend that DA ensure staff properly log every cash disbursement within the appropriate log and disburse cash from the authorized fund. Additionally, we recommend DA implement additional procedures to prevent future disbursements of cash from the inappropriate fund, such as requiring a second person review and reconcile the posting of the disbursement to the log.

Management Response:

This was a one time occurrence. The District Attorney's Office has procedures in place to prevent misstatements and misuse of funds. Our office reconciles the cash funds on a monthly basis and ensures all cash is accounted for. Our current processes includes that our staff verifies all recorded disbursements on the log match information to the disbursement authorization forms. Our office requires two individuals when opening the safe. We have implemented an additional procedure to have the second staff member sign off on the log when disbursing cash verifying the disbursement entry.

## **2. Bus Passes**

Condition:

DA maintains two different bus pass types: Basic Single Fare with a \$2.50 value and Basic Daily Pass with a \$7.00 value. However, DA was unable to provide supporting documents to determine the number of Basic Single Fare passes on hand.

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CURRENT FINDINGS AND RECOMMENDATIONS**

Also, the log for Basic Daily Passes did not note the number of the bus passes disbursed, nor were the disbursements recorded in a timely manner as the initial log provided by DA was missing two disbursements from January 2021.

Additionally, the number of Basic Daily Passes counted did not agree to DA's records. DA purchased 100 Basic Daily Passes and we verified 85 were accounted for, while the remaining 15 bus passes, with a total value of \$105.00, were unaccounted for ((100 – 85) x \$7).

Criteria:

DA should keep complete, accurate, and timely records of their bus passes and reconcile at least monthly.

Effect:

Not reconciling bus passes and not recording disbursements in the logs in an accurate, timely, and detailed manner can result in inaccurate records and can lead to theft or misappropriation of bus passes.

Recommendation:

We recommend DA resolve its differences and reconcile bus passes at least monthly. We also recommend DA differentiate between different types of bus passes and record purchases and disbursements in separate logs, as well as note the bus pass number of each bus pass disbursed. Additionally, we recommend DA record disbursements of bus passes in the respective logs at the time of disbursement.

Management Response:

The District Attorney's Office has implemented procedures that will allow bus passes custodians to keep track of bus passes that are handed out. In addition, District Attorney Victim Witness staff will reconcile bus passes on a monthly basis. District Attorney Administration staff and custodians will reconcile bus passes on a quarterly basis to ensure accountability.

### **3. Capital Asset Trade-Ins**

Condition:

During our review of DA's capital assets, DA was unable to locate two assets from our testing procedures: a Leica Scan Station with an acquisition value of \$122,688.03 and a book value of \$0, and a Comparison Microscope – Firearms with an acquired value of \$70,329.00 and a book value of \$0. Upon further inquiry, DA stated that these two assets



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CURRENT FINDINGS AND RECOMMENDATIONS**

were traded-in, but no Equipment Movement Report (EMR) was submitted for either asset.

Criteria:

According to the Asset Trade-In Procedures in the Asset Management Equipment Guide, all departments need to follow the asset trade-in process and submit an EMR so that the Department of Finance, General Accounting Unit can properly retire the old asset and remove it from the COMPASS capital asset record.

Effect:

When the Asset Trade-In Procedures are not followed, the old asset and the new asset will both remain on the books while only the new capital asset is physically held by the County. As a result, DA may have an inaccurate record of its capital assets and is at risk of misappropriation without it being detected. In addition, COMPASS may have been misstated.

Recommendation:

We recommend DA resolves the differences and submit EMRs to the General Accounting Unit for assets they have traded-in. We also recommend that DA routinely verifies and reconciles its record of capital assets to that of COMPASS in order to properly track and accurately account for its capital assets.

Management Response:

This was a one time occurrence. The District Attorney's Office submits EMRs to General Accounting Unit in Department of Finance. Our office verifies fixed assets on an annual basis and reconciles records to COMPASS.